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C O N F I D E N T I A L SECTION 01 OF 03 TAIPEI 002040

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SUBJECT: FRANK HSIEH STEERING TOWARDS MAINSTREAM ON UN  
REFERENDUM

REF: TAIPEI 01971

Classified By: AIT Acting Director Robert S. Wang, Reason 1.4 (b/d)

¶1. (C) Summary: Democratic Progressive Party (DPP) politicians remain determined to continue their support for President Chen Shui-bian's plan to hold a referendum on entering the UN under the name "Taiwan" despite recent strong U.S. opposition. DPP presidential candidate Frank Hsieh publicly supports the proposal, though he believes President Chen should not push the issue so forcefully. Hsieh appears to be seeking ways to minimize the more extreme pro-independence rhetoric from the Green camp on this issue, which could undermine his efforts to court centrist voters. Last week Hsieh and his supporters succeeded in watering down the DPP "normal country" resolution (reftel) and yesterday, September 5, he proposed to merge the DPP and KMT UN referendum, drawing more fire from deep Green hardliners. End Summary.

DPP, Hsieh Aim to Give Taiwan "Hope"...

¶2. (C) Democratic Progressive Party (DPP) politicians remain determined to continue their support for President Chen Shui-bian's plan to hold a referendum on entering the UN under the name "Taiwan" despite recent strong U.S. opposition. DPP Deputy-Secretary General Hsu Jen-tu, presidential candidate Frank Hsieh (Chang-ting)'s man at party headquarters, told AIT on August 31 that Hsieh supports the referendum, but is well aware of U.S. concerns following his visit to Washington earlier this summer. Hsieh and the DPP, knowing entry into the UN is "daunting" and "next to impossible," nevertheless believe they need to give the people of Taiwan "some hope" for the future, Hsu explained, especially during this crucial election year.

...But Hsieh Seeks More Moderate Tone

¶3. (C) Hsieh, however, is attempting to keep the deep Green independence fundamentalists from completely dominating the issue of Taiwan's UN entry and referendum drive. According to Taiwan media, Hsieh warned fellow party members during a September 6 meeting that they had to think more strategically about the "international scene" and take a long-term approach

to the UN issue. Losing both the 2008 presidential race and the UN referendum vote, Hsieh argued, is not in Taiwan's and the DPP's best interests. Hsieh proposed holding talks with the KMT to field a joint UN referendum that had a higher chance of passing. Party hardliners Tsai Trong and Chen Chi-sheng, however, accused Hsieh of "retreating" and said that if he were elected they would "force" him to pursue Taiwan name-change and entry into the UN.

14. (C) Close Hsieh advisor and TECRO council member Corey Chen told AIT on August 31 that while Hsieh believes Taiwan must play a greater role in international organizations, he did not want President Chen to push the UN referendum so strongly. While UN entry appeals strongly to the DPP deep Green base, Chen explained, it is less effective in drawing and mobilizing votes from moderate voters even though they largely support the measure. Of greater concern to Hsieh campaign strategists is President Chen and deep Green attacks on the U.S. and their accusation that the U.S. is working with China to suppress Taiwan. Sustained anti-American rhetoric, Corey Chen continued, could ultimately weaken Hsieh and the DPP's credibility with moderate voters who have a largely positive image of the U.S.

15. (C) Nevertheless, Corey Chen told AIT the Hsieh campaign plans to use continuing coverage of the UN referendum issue to highlight Hsieh and KMT presidential candidate Ma Ying-jeou's contrasting positions on Taiwan identity. Chen predicted that after the UNGA meeting in mid September other domestic and economic-related issues would begin to play a more prominent role in the presidential campaign. Hsieh will continue, for example, to attack Ma's proposal to create a "common market" across the Strait as selling out Taiwan jobs

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to low-wage Chinese workers. Absent further developments, Corey Chen predicted that the anti-U.S. tone of recent media coverage should have a news cycle of 5-7 days.

16. (C) Chen told AIT that Hsieh's top priority is to win the presidential election by unifying the party behind him while moving toward the political mainstream. Former Premier Su Tseng-chang's decision to run as vice president has prompted his support base, including the more moderate New Tide faction, to line up firmly behind Hsieh. The integration of the two groups is progressing quickly and Hsieh has instructed his staffers to accommodate Su's people. Chen argued that this growing DPP unity contrasts markedly with fissures opening up within the KMT between the "native" Taiwan faction led by LY President Wang Jin-pyng and the KMT old-guard leadership.

17. (C) Chen underscored Hsieh's success last week in moderating the "radical" independence content of the initial "normal country" resolution proposed by DPP Chairman Yu Shyi-kun. Although Hsieh told Corey Chen the best outcome would have been for the resolution to just "go away," his supporters were at least able to control the content of the resolution so that it strengthened the more moderate line of the party's 1999 resolution on Taiwan's future. Deputy Secretary-General Hsu told AIT that DPP Chairman Yu

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Shyi-kun's radical stance showed he was "out of step" with the mainstream. Hsu suggested Yu could be forced out of his position this fall.

...And Deep Greens Hold Hsieh's Feet to the Fire

18. (C) Deep Green independence fundamentalists have been particularly adamant in their support of the UN referendum and critical of U.S. opposition to the measure, as well as of Hsieh's attempts to move toward a more moderate position in the presidential race. Lo Chih-Cheng, Secretary-General of the deep Green Taiwan Society (taiwanshe), told AIT on August

30 that the UN bid and referendum are so popular on Taiwan that "even the KMT support it." Insisting that Taiwan's push for entry in the UN does not represent a change in the "status quo," Lo characterized the U.S. response as an "overreaction" and an "over interpretation." He argued that the referendum is in response to Beijing's increasingly hostile attempts to limit and marginalize Taiwan's participation in international organizations. People on Taiwan fear that over the long-term China will further isolate Taiwan; they need to let the world know of their concerns. Lo also blasted Hsieh's effort to tone down the language of the "normal country" resolution, saying that the Taiwan Society and other groups would continue to pressure the DPP leadership to make further changes.

Caveat: The Other Face of Frank Hsieh?

19. (C) DPP maverick legislator Shen Fu-hsiung told AIT on September 4 that although Frank Hsieh presents a moderate image and is courting the undecided voters on Taiwan, "you have to look at the people around him to understand the 'true' Frank Hsieh." The politically moderate Shen said Hsieh's strategy is to present himself as a mild, reasonable politician, but surrounds himself with "attack dogs," many of whom support Taiwan independence. Shen urged the U.S. to make its opposition to the UN referendum "stronger and clearer," but in a way that remains respectful and gives face to President Chen. Shen told AIT that deep Green fundamentalists believe the U.S. would come to Taiwan's aid in a cross-Strait conflict, whether sparked by Taipei or Beijing. Only a stronger U.S. response to the referendum issue, Shen asserted, would make the deep Greens "get the message" and reconsider their support for President Chen and the UN referendum.

Comment

110. (C) The strong deep Green response to U.S. opposition

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to the UN referendum has complicated DPP presidential candidate Frank Hsieh's attempt to appease his party's base while moving to the political mainstream. Hsieh's success last week in toning down the content of the "normal country" resolution will likely be difficult to replicate on the UN referendum drive, whose wording and content have already been fixed. Although his proposal to merge the DPP and KMT UN referendums may prove both politically impossible and technically difficult, the effort is probably designed to burnish his image as a moderate, practical politician.

WANG